7. CONCLUSION AND IMPLICATIONS

Visual merchandising is at its nascent stage currently in India. It is the most challenging task for a retailer. Since, competition in Indian retail industry is increasing; retailers are becoming conscious to increase sales of their store merchandise. Lot of organized players, national and international level is entering the industry. There are many single and multi brand retailers who have entered and are entering the industry after the Government of India’s permission for FDI in retail, which was opposed but retained; henceforth making competition amongst retailers fierce (NDTV, 2015). As countermeasures, retailers are finding innovative ways to differentiate their merchandise. One of them is innovative display of product that attracts customers and leads to the impulse buying. Impulse buying does not involve pre-planned buying intentions. It is sudden and does not involve buying a particular or specific product required (Rook, 1987). It is an immediate, strong and unceasing urge to buy product which is more hedonic in nature and complex. Apart of this, there are many factors external as well as internal that influence buying behavior of customers (Youn and Faber, 2000). In this research, an attempt is made to study the impact of visual merchandising on consumer buying behavior for three different product categories viz. apparel, furniture and electronics. This chapter addresses the relationship between various variables of visual merchandising in the three product categories chosen for study with respect to buying behavior of customers. Further in the chapter, implications to the retailers of these product categories are discussed and finally limitations of the study with future research prospects in this field.

There were variables of visual merchandising, impact of which is studied on buying behavior. Exploratory study shows similar visual merchandising dimensions that are important window display, store front, store layout, floor merchandising, and signages or graphics. Window display is first touch point of retail stores with the customers that attracts them and leads them inside (Passewitz, et al, 1991). It creates a first impression or image about the store in the minds of customers. Store front includes entrance, banner of store, window, etc and it assists in not only establishing brand identity of store but also helps in differentiating from competitors (Farese, et al, 2009). Good window display along with impressive store front is strong positioning statement about the store. Effective utilization of store space to facilitate sales and serve customers is also very important in case of store layout (Banot and Wandebori, 2012). In floor merchandising different fixtures can be used creatively to display product increasing visual appeal (Mopidevi and Lolla,
Signages in retail stores are silent guide to customers and they minimize interference of salesperson during shopping. It is very impactful medium of passing message to customers (Iqbal et al, 2011).

### 7.1 Apparel

Apparel product category contributes 40-44 per cent of revenue to retail industry (CCI, 2014). After permission of FDI in retail, lot of international brands has entered the country with apparels of international quality and standards. This category was taken for study to find out which the dimensions of visual merchandising are important and also the impact of them on buying behavior of customers. In this category, most of the decisions for visual merchandising of store are taken from headquarters. The docket for store arrangement is sent from headquarters and accordingly the display is designed. There is store-in-store arrangement for few brands in multi-brand outlets, display for which also happens in accordance with the headquarter plan. If a store merchandiser finds layout inappropriate, permission to alter is sought. Relevant literature review, interviews of marketing managers and visual merchandisers indicated that window display (Dawe, 2008), in-store form or mannequin display (Dua and Karolia, 2008), floor merchandising (Kerfoot, et al, 2003), and promotional signage (Youn and Faber, 2000) are the main dimensions of visual merchandising for apparel. These dimensions were further studied to find out their impact on impulse buying behavior. Findings indicated window display and mannequin display to be significantly related to purchase behavior of customers. Frequency analysis showed that customers were influenced to purchase the merchandise because of mannequin display. The study also indicated that floor merchandise and promotional signage do not impact purchase behavior. Lastly the factor of fragrance as an aspect of ambience influenced buying behavior of customers.

In order to study consumer perception regarding different apparel retail stores, perceptual mapping was employed. Findings indicated that consumer’s perception did vary across different apparel retail stores. Consumer perception for Shopper’s Stop stood out in terms of mannequin display and arrangement of props. Pantaloons stood out for window display while signage and atmospherics differentiated Central from other stores. Consumer’s felt Westside is be good on fixtures and product display. Brand Factory does not differentiate itself on any aspect.

On the basis of the above discussion it can be deduced that current study has made
significant contribution to the existing body of theoretical knowledge of visual merchandising which has huge implication on decision making of store managers as well which is discussed further.

7.1.1 Theoretical implications

Shoppers mostly buy products, which are not pre-planned, that attract their eyes (Tullman & Clark, 2004). Apparel is one product category where lot of creative visual merchandising can be done as it has varied tools that can be used for display. Dimensions other than those explained earlier in this chapter, like mannequin display (Clark, 2007), props (Dua and Karolia, 2008), colour combination (Gajanayake et al, 2011), and store atmospherics (Milliman, 1982) are also important dimensions.

The current findings add to the existing body of theoretical knowledge on visual merchandising. Findings of demographic study shows that gender bifurcation about who shops more is ruled out as males and females shop almost equally. People of the age group 21-30 shop the most. For majority of the customers, product arrangement of the store did not attract them and they do not take help of salesperson and tried to locate product on their own. Offers or deals did not attract customers to buy more, but good products did. Customers also felt that attractive visual display or presentation influenced their buying decisions. They felt that lighting in the store (Passewitz, et al, 1991), music (Dave, 2011), and signs (Bitner, 1992) influence their buying behavior.

The study also showed positive relationship of window display and mannequin display with impulse buying behavior. While there was no relationship of store layout, floor merchandising and promotional signage with impulse buying behavior, store window display played a major role in fetching customers. Mannequin display enabled customers to see the product display on a structure that resembled their body and combination of merchandise displayed on it helped in increasing browsing, impulse purchase, imagining the product’s end use, increasing aesthetic response, decrease in perceived risk and increased response towards the products displayed. Mannequin display for apparel category was found to have weak correlation with impulse buying behavior of customers. Mannequin display was one technique by which customer views merchandise on it and empathizes, if the apparel will look good on them or not (Fister, 2009), reducing perceived risk. It also suggests the combination of clothes that can be made, accessories and props that can be used
with particular apparel. Mannequin display not only helped in generating sales for apparels but also for accessories and other products like purses, bags etc that are used as props along with the display of apparel.

Perceptual mapping contributed by highlighting that no two store perceptions are same in the mind of the customer. Each of them based on different variables differs from each other. All the lifestyle apparel store are good on some variable, except for the discounted outlet that was taken for study for which perception of customer is negative for all the variables of visual merchandising.

7.1.2 Managerial implications

The current study puts forth several premises that are of much importance to retailers. The study indicates that effective merchandise display positively impacts purchase behavior of customers. Visual merchandising positively impacts consumer purchase and so efforts should be made on innovative use of visual displays, specifically window display to attract target audience of the store. The study suggests that retailers or marketers should create an attractive and unique window display and store front which should not be cluttered and confusing. Merchandise that are displayed in store window and store front should be changed twice in month at least to keep these two aspects live and fresh. Also window and store front should be neat and tidy and lightings should be appropriate. Retailers must design the window display in such a way which gives customers knowledge regarding new products available in the store, new fashion trend, various ways of apparel coordination and style. This will help retailers to fetch more customers. Since the study was conducted in Ahmedabad city, the findings suggest that owing to the hot climatic conditions of Ahmedabad, the glass windows and store front may not exactly serve the purpose as the colour of the merchandise displayed in window or in store front may also get faded due to sunlight. This might not be the case with in mall stores but with the stores which are directly under the heat of sun. In this case retailers may get a huge façade attached at window and store front of the store which will protect it at least from the direct sun rays.

Marketers may arrange the mannequin in such a way that it catches eye of customer and the display should be at several points within the store with different merchandise. Mannequin display helps customer see the product displayed on a body form enhances browsing for product, increased impulse buying and reduced perceived risk.
Arrangement of the apparel by utilization of fixtures used in floor merchandising should be stacked or properly arranged. The arrangement of the clothes on these fixtures should be done in such a way that it is easier for customers to locate product. Even colour combination must be proper when clothes are displayed in such fixtures. Also floor merchandising should be used in such a way that it does not hamper the store layout. Walking or browsing space available to the customers should be comfortable rather than disturbance.

Signage used must easily visible and readable. There should be proper signage for directions towards different segment, price tags, offers, brands, sections, etc. Store atmospherics needs to be maintained as soothing and pleasant. Effect of lighting in the store should assist customer with the exact colour of apparels. The music played in the store should help customer enjoy shopping. The clothes arranged should be clean, neat and tidy. There should not be dumping of clothes at different places especially near the trial rooms of the store which gives negative impact about care taken. If customers are exposed to different type of stimuli like soothing music, good lighting and pleasant fragrance within the store, it will increase their store browsing leading to increasing browsing and subsequent impulse purchase. Good visual merchandising techniques will lead to more and better impulse buying experience. If these dimensions are enhanced or made impressive, it will help in creating unique positioning for the store and take the store image in minds of customers to the next level. As the competition form online retailers increases, traditional retailers can use visual merchandising as the perfect tool to increase customer purchase.

7.2 Furniture

Furniture and furnishing contributes 3.4 per cent of revenue to retail industry (Deloitte, 2011). This segment is growing with many organized players entering the competition nationally and from across borders. The Indian customer has traditionally got furniture custom prepared by the carpenter. And now there is a gradual shift towards readymade furniture. Purchase of branded furniture and furnishing is increasing gradually in Indian market hence; it becomes important to study buying behavior of customers for this product category. Visual merchandising of furniture outlets is challenging but fruitful as well for the furniture retailer. It enhances the store image in minds of customers. The most challenging task to perform in visual merchandising of furniture outlet is to change it twice a month. Visual merchandising for furniture happens in terms of room
and product arrangement which comprises of unique and innovative displaying and design of furniture that may appeal to customers. Study of literature and in-depth interview with visual merchandisers revealed that window display (Bakarne, 2008), store front (Schneider, et al, 2009), merchandise display (Davies and Ward, 2002), store layout and organization (Levy and Weitx, 1996), creative style and trend co-ordination (Buchanan, et al, 1999), signage or graphics (Seock, 2013) and store atmospherics (Kotler, 1974) are the most important dimensions of visual merchandising. Therefore, these dimensions were used to study impact of visual merchandising on purchase behavior of customers.

From the analysis it was found that window display, store front, store layout and organization (shelf space) and creative combination of colors are significantly and positively related to the purchase behavior of customers. Consumers tend to make decisions for impulse purchase when they are exposed to these stimuli. These shows that visual merchandising techniques instigate desire to purchase when customer browses the store leading to unplanned purchase. Merchandise display, signage/graphics and store environment too do not impact purchase behavior. This study shows the importance of visual merchandising on consumer behavior which has received little attention in research.

Since, furniture is a high involvement product and also it is a product that helps customers to creatively arrange their homes, it is very important to keep retail outlets of furniture arranged innovatively. Also it is important to arrange the store according to latest style of home décor. Hence, it is important to understand the perception of customers regarding the store arrangement. From the study of perceptual mapping it is found out that consumers’ perception for different furniture retail outlet is different. Their perception about important variables of visual merchandising for different stores is also varies. Out of all the variables under study, consumers’ find @Home good at store front, atmospherics and accessories. Home Town is good at room settings, signages, window display and fixtures. Godrej Interio is good at merchandise arrangement. Two retail outlets Durian and Housefull are not found attractive by customers. Visual merchandisers of the retail outlets must strengthen the aspect on which they are perceived good. Also, they should work on rest of the dimensions on which they do not qualify as each of the dimensions is important in terms of visual merchandising.
7.2.1 Theoretical implications

Furniture is a product category in which impulse buying seldom occurs. If customers have pre-planned the purchase and bought it from a particular outlet because presentation attracted him or her without comparing the product in other outlets this can be called impulse buying behavior for this category. Visual merchandising for furniture is challenging, as to present these goods in artistic way that attracts customer to buy it immediately is a big task. Many retail outlets in Ahmedabad are hiring professional visual merchandiser who can do this work efficiently and effectively. The visual merchandising criteria those are specific for furniture category like creative style and trend co-ordination (Gajanayake et al, 2011), room setting display (Adler, 1998), accessories (furnishing goods) and atmospherics of the store (Engel, et al, 1995). Literature review suggests that no much literature is available on visual merchandising for furniture stores.

The current study contributes to the existing body of knowledge in significant ways as mentioned further. Furniture represents a high involvement product category and so customers’ visits a furniture store once or perhaps twice a year only. People of the age group 31 to 40 (maximum respondents) and 21 to 30 (second highest) buy furniture from the retail outlets. This shows that this segment do not go for traditional way of getting house furnished. The maximum respondents who buy branded furniture from retail outlets were married. Newlywed or people married and buying their own house require furniture, so for them it is the most convenient way of buying. Service class, business professionals and working couples prefers buying readymade branded furniture.

The study shows positive relationship of purchase behavior with window display, store front, store layout and organization (shelf space) and creative combination of colours. While, there is no relationship of variables like merchandise display, signage/graphics and store environment on buying behavior of customers. As discussed earlier window display and store front are two main areas of the store which is very critical as most of the customers will be enter the store if these display are eye catching. Along with furniture products different furnishing products are arranged on shelf in the store. Sound arrangement of products on shelf helps customers to look around at merchandise for buying. Getting ideas for arranging a house along with colour combination and innovative designs is toilsome. Customers will be contended if they get unique idea of creative combination of colours for their house.
The study was conducted in Ahmedabad city and the findings are for the furniture stores in Ahmedabad. Durian and Housefull are local brands of Ahmedabad that do not have skilled people to do visual merchandising for it. On the other hand, Home Town, @Home and Godrej Interio are national brands who have professional visual merchandisers. The store arrangements and image is reflected in the perceptual analysis for this category. Durian and Housefull are not perceived well on any of the dimension under study, while for other three outlets customers have unique perception. @Home is perceived attractive on store front, atmospherics and arrangement of accessories. Room setting, signages, window display and fixtures of Home Town are perceived good. Merchandise display of Godrej Interio is found eye catching by consumers. Perceptual mapping helped in understanding how consumers perceive store arrangement of furniture outlets. So to find out which store is appealing for which dimension, it is important to study consumer perception regarding visual merchandising.

7.2.2 Managerial implications

The viewpoint in terms of visual merchandising is if a furniture retailer wants to convert a store visitor into a buyer, he has to work very hard in terms of product presentation and display. Store must have a professional visual merchandiser to do this task for them. Though visual merchandising for furniture outlets is difficult still if done with creativity and innovation, it can do wonders. Furniture is a product category which customer buys not only for personal use but also for their social status. These days’ lots of people hire interior decorators to do the task for them. In case, they directly get innovative and good ideas of home décor and styling from retail outlets itself, it would be blessing in disguise as they shall not have to pay the interior designer. Furniture retailers must take care of this matter and plan their visual merchandising accordingly and should change it twice a month to keep it appealing.

Window display and store front must have certain room setting done in it which can also be theme based. This arrangement should be noticeable enough to attract customers in the store and enhance footfalls. Room setting in the window or store front and other furnishing products should also be displayed that gel with the room setting arrangement so as to enhance the visual appeal and increase sales. Besides this the customers will also get an idea of the furnishing products and may feel motivated to surf the store. In furniture outlets as the display happens according to type of room, retailer must take care of colour combination for a room; accessories also should be arranged.
such that it gels with room setting. From this arrangement consumers must get new ideas of furnishing their home too. Visual merchandisers should keep this in mind and try to do room setting that is gorgeous and customer feels that their own room also will turn out to be very pretty.

Room setting or product display should be done in such a way by the marketer that does not restrict walking space. It should be enough to help customer move across and see different products exhibited properly. Also the products presented on shelf should be in direct eye contact of customer and reachable so that they can see it easily and also accesses them. It should be taken care that the shelves are dusted daily, as dirty shelf may hamper the charm of the product displayed on it. Colour combination of the product arranged on shelf should also be taken care of. The overall store layout should make the customer feel like checking out different merchandise available in store. Merchandise arranged should be clean, hygienic and dust free. Retailers must see that if room setting is not changed for a longer period of time, the merchandise displayed in it have not become shabby. In such case immediately the fresh products should be put on. As the product are costly, marketers should put proper signage of price near product displayed, that has proper font type and font size which makes customer understand the price of the product easily. If discounts or offers are available on the goods, amount of the same should be clearly visible so that customer gets to know what price they need to pay after discount. Decision making for buying furniture product takes time, customer has to remain in the store for longer time to understand various nuances of it, so the atmosphere of the store should be such that customer feels comfortable, pleasant, ease and enjoys the entire shopping experience. Marketers must constantly innovate dimensions of visual merchandising that are perceived positively by consumers and try to work hard on dimensions which did not impact consumer buying behavior. Also a marketer of stores, who’s visual merchandising is perceived negatively, needs to work hard make it positive.

7.3 Electronics

Organized retail as mentioned above contributes 8 percent to Indian retail industry. Out of this 8 percent of organized Indian retail, consumer electronics products comprises of 8 percent, which is fourth largest after apparel, food and grocery and mobile and telecom. Organized market is growing with several individual sectors adding to the growth of it. Electronics is a high involvement product category. Further discussing, differentiation in terms of product in this category is most difficult task as all the products are similar in looks. Hence, it becomes important for the retailers to
differentiate their offerings with help of some innovative display technique which is again a herculean task to do. The reason to undertake this product category for research is to understand the impact of visual merchandising on it as electronics is a high involvement product. From literature review and talking with marketers of retail outlets taken to study it was found that dimensions of visual merchandising for this category are window display (Bakarne, 2008), store front (Schneider, et al, 2009), store layout and organization (Banot and Wandebori, 2012), merchandise display (Walters and White, 1987), shelf display (Kaufman, 2011), floor merchandising (Bhalla & Anurag, 2010), wall mount display (Soneira, 2009), experience (Backstrom and Johansson, 2006), signages or graphics (Rook & Hoch, 1985) and store atmosphere (Seock, 2013). As a result these dimensions were taken to find out impact of visual merchandising on consumer buying behavior.

The findings show that window display and store front are positively correlated to purchase behavior. The variables like merchandise display, store layout and organization, shelf display, floor merchandising, wall mount display, store experience, signage/graphics and store environment did not indicate any positive relationship with purchase behavior. The two impacting variables i.e. window display and store front can be made stronger by innovative arrangement of products. In terms of electronics product, the window display of stores can be made interactive so that customers experience it and get attracted to them. Electronics product category purchase depends more on what is the customer’s experience regarding the products. Hence, the products should be arranged in such a way that the display of TVs, LED, LCD, Music system, etc should give great hedonic pleasure and experience which leads to immediate purchase. Signage/graphics should be clear with all details which results in minimal interference of sales person in purchase decision. The store environment should be comfortable and soothing so that customer stays in the store for longer time and explore more things which again generate sales.

As discussed, Electronics is high involvement product category and its purchase is not based on impulse. Purchase of these products often depends on the experience of customers regarding a particular product in the retail outlet. Product arrangement should be such that experience of that comes across will impact the buying behavior of the customers. This is the reason why the perception of customers regarding visual merchandising is important, though impulse purchase of these products due to visual merchandising is bit difficult. From the perceptual mapping of variables for electronics retail outlet, it is found that out of all the variables under study, consumers find Vijay
Sales good at atmospherics and signage. Sales India is good at counter top display, store front and wall mount display. Croma was good at arrangement of electronics center rack. Reliance Digital was good on two variables - window display and shelf display. NEXT retail outlet was not found attractive by customers.

7.3.1 Theoretical Implication

Electronics is a product category once bought will be bought next after minimum five years. Purchase of goods for this product category shall always be pre-planned. As there will be hardly any difference amongst the offerings of retailers, there is no other point of difference between retailers of electronics goods to invite customers to their store. Again visual merchandising and creativity in display for this category is a nightmare to do. Still marketers are trying to innovate the display techniques. Slowly but positively there is lot of development in terms of product display of this category which otherwise is dull. Apart from the common visual merchandising tools, visual merchandising techniques pertaining to this category are shelf display (Kaufman, 2011), floor merchandising (Bhalla & Anurag, 2010), wall mount display (Soneira, 2009), experience (Backstrom and Johansson, 2006), signages or graphics (Seock, 2013) and store atmosphere (Kotler, 1974).

The study significantly contributes to existing body of literature which is described further. As mentioned earlier in this chapter that electronics products once bought are than purchased after long period of time, most of the people occasionally visit the store, based on the need to purchase something. The findings of the current study contribute to the existing body of knowledge in terms of various aspects that are further discussed. The respondents of the age group 21 to 30 were maximum who visited store to purchase. Most of the respondents were graduates and having service as profession, whose monthly income is between rupees 15000-25000. Electronic products are mostly purchased in cash or on EMI.

Main objective of visual merchandising for this category was to make customers enter the store which is found to happen as window display and store front are two dimensions that has positive relationship with purchase behavior of customers. Rest all the variables, except for window display and store front, do not have any impact on buying behavior of customer. Gigantic entrance of the store with cool and live window will compel customers to enter the store and look at the
product they want to buy. These stimuli forces consumers to take decision for purchase when exposed to them. When consumers are leaded inside the store because of these impelling stimuli they tend to look out at merchandise resulting in purchase of product. Therefore it is important for researchers to study impact of visual merchandising on this product category.

All the five stores except NEXT were found to have good perception among customers about different visual merchandising techniques. Each of the rest four retail outlet were good on separate dimensions but no two outlets share similarly perceived by customers for its display techniques. Product arrangement should be such that experience of that comes across will impact the buying behavior of the customers. This is the reason why the perception of customers regarding visual merchandising is important, though impulse purchase of these products due to visual merchandising is bit difficult.

7.3.2 Managerial Implication

Visual merchandising of electronic products has been somewhat bland till now. Innovativeness and out of the box presentation techniques for this type of products is strenuous but it is not impossible. Retailers should hire designers who can make optimal use of the store space organization making it look classy rather than clumsy and cluttered which most of the stores selling electronics products look like.

The two impacting variables - window display and store front can be made stronger by innovative arrangement of products. In terms of electronics product, the window display of stores can be made interactive so that customers experience it and attract them inside store. The variables that are not impacting purchase can also be made strong. The store front should be huge, it allows customer to get connect of product sold inside. Merchandise display, floor display, store layout and organization, shelf display and wall mount display should be such that customers can easily locate and see the product and also check its functions. Electronics product category purchase more depends on what is the customer’s experience regarding the products. Hence, the products should be arranged in such a way that the display of TVs, LED, LCD, Music system, etc should give great hedonic pleasure and experience which leads to purchase immediately. Signages/graphics should be clear with all details which results in minimal interference of sales person in purchase decision.
Also the store environment should be comfortable and soothing so that customer stays in the store for longer time and explore more things which again generate sales.

Electronics is again a product category that is high involvement and purchase of it is not impulse. Purchase of these products often depends on the experience of customers regarding a particular product in the retail outlet. If customer wants to purchase a music system or LCD/LED they would want to experience it before purchasing. There should be arrangements made where in customers can use product within the store and take experience of it.

There are many product categories that may or may not be purchased on impulse, but still certain cues of visual stimuli definitely has impact on the purchase behavior. It positively helps customer in buying and feeling about the product buying urge. This proves that visual merchandising helps in instigating purchase desire. Marketers must effectively use the variables that have correlation with purchase behavior and make them stronger so that the sales of store can be increased. The variables that are not found significantly correlated, marketers must do necessary alterations in it and make strong so that it also impacts the sales. Visual merchandising will not only help to improve the store image in customers mind (Lam and Mukerjee, 2005), but it will also help to spread positive word of mouth about the store. Hence, it will be effective and efficient medium to enhance store image and generate sales for the store without spending much on marketing. It also helps create a good positioning of store with help of good merchandising display.

Visual merchandising may not be of much importance to retailers whose target audience prefers low range product for any category or also the retailer might not have enough space in the store to arrange products in a beautifying manner. Hence, the findings do not concern retailers who are disinterested or who are not resourceful on improving visual merchandise display techniques.
8. LIMITATION

On completion of this study, few limitations got realized, which can be taken care of during future research. This study was only restricted to Ahmedabad market. Researchers can carry out research on this topic for various cities of India. This will also help in understanding how visual merchandising techniques and type of merchandising itself differs across different cities of India. More retail outlets can be studied.

The research tool was quantitative in nature. In this survey method of research the questions were based on their recent experience as long as things did or did not influence their behavior. Qualitative research may bring different result. In fact researcher can also carry out causal research and test that whether the change in visual merchandising is actually affecting the sales of the store or not.

This study was conducted on five branded retail outlets of Ahmedabad for each product category. Now, many branded multi-store and exclusive or single store of the various brands that are national and international have been opened in the city which can be studied.

This research was cross-sectional where data is collected from the respondents at a specific point of time. It can be also conducted as longitudinal research where data or observations are collected repetitively of the same variable over the period of time. This might help in understanding the growth of visual merchandising.